

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007**

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Hartford Fire Board	County Van Buren County
Fiscal Year End June 30, 2007	Opinion Date December 4, 2007	Date Audit Report Submitted to State December 28, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

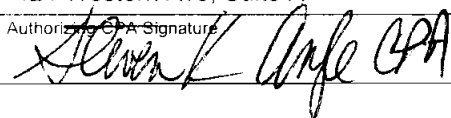
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X

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☒ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Angle & Steffes, P.C.		Telephone Number 269-686-9050	
Street Address 424 Western Ave, Suite A		City Allegan	State MI
Authorized CPA Signature 		Printed Name Steven K. Angle, CPA	Zip 49010
		License Number 14653	

HARTFORD FIRE BOARD

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INDEPENDENT AUDITOR'S REPORT

December 4, 2007

To the Hartford Fire Board
Van Buren County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hartford Fire Board, Van Buren County, Michigan as of and for the year ended June 30, 2007, which collectively comprise the Fire Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Hartford Fire Board, Van Buren County, Michigan management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hartford Fire Board as of June 30, 2007, and the respective changes in financial position, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The accompanying management's discussion and analysis and budgetary comparison information as noted in the table of contents are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hartford Fire Board's basic financial statements. The accompanying other supplemental information, as identified in the index, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully submitted,


Angle & Steffes, P.C.
Certified Public Accountants

**HARTFORD FIRE BOARD
MANAGEMENT DISCUSSION AND ANALYSIS**

This report consists of series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Fire Board as a whole and present a long-term view of the Fire Board's finances. Fund financial statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Fire Board's operations in more detail than the government-wide statements.

The Fire Board as a Whole

The Hartford Fire Board's financial position has remained stable over the past years. The fire service charges and community contracts support the operational expenses of maintaining the fire services.

Government Wide Statements

<u>Assets</u>	<u>2007</u>	<u>2006</u>
Current Cash Assets	\$ 481,374	\$ 609,497
Grants Receivable	<u>0</u>	<u>20,664</u>
Total Assets	\$ 481,374	\$ 630,161
<u>Liabilities</u>		
Current Liabilities	\$ <u>25,726</u>	\$ <u>31,092</u>
<u>Net Assets</u>		
Restricted for Capital Equipment	272,960	410,107
Unrestricted	<u>182,688</u>	<u>188,962</u>
Total Net Assets	\$ 455,648	\$ 599,069
<u>Revenues</u>		
Operating contributions	\$ 136,181	\$ 135,036
Capital grants and contributions	0	388,664
Charges for services	1,813	1,256
Interest and other revenues	<u>32,246</u>	<u>16,745</u>
Total Revenues	\$ 170,240	\$ 541,701
<u>Expenses</u>		
Public Safety	\$ 313,661	\$ 204,107

This report represents an accurate view of the operations of the Hartford Fire Board for the year ended 6/30/07. Our assets have decreased this year due to the payments on the new 75' ladder truck. The delivery has been pushed back from mid December 2007 to mid February 2008. The old ladder truck is still in service until the new one arrives.

Again this year the financial position of the Fire Board is strong. We came in under budget due mainly to lower labor costs with fewer total calls.

Our firefighters are some of best in the area. We have had very little change in the firefighter's roster this year. They continue to train each month and several are taking officer training courses. The Chief is doing a great job leading his firefighters.

This financial report is intended to provide our community with a general overview of the finances of the Hartford Fire Board and to show the Fire Board's accountability for the monies it receives. If you have any questions about this report or need additional information, we welcome you to contact the Chairman of the Fire Board.

Daniel A Dowd, Chairman
Hartford Fire Board

HARTFORD FIRE BOARD
GOVERNMENT WIDE STATEMENT OF NET ASSETS
JUNE 30, 2007

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Total</u>
ASSETS		
Cash and cash equivalents	\$ 481,374	\$ 481,374
Investments	0	0
Receivables - net	0	0
Prepays	0	0
Capital assets - net	<u>0</u>	<u>0</u>
Total Assets	<u>481,374</u>	<u>481,374</u>
LIABILITIES		
Accounts payable	25,726	25,726
Accrued and other liabilities	0	0
Noncurrent Liabilities		
Due within one year	0	0
Due in more than one year	<u>0</u>	<u>0</u>
Total Liabilities	<u>25,726</u>	<u>25,726</u>
NET ASSETS		
Invested in Capital Assets		
Restricted For		
Public safety	<u>455,648</u>	<u>455,648</u>
Total Net Assets	<u>\$ 455,648</u>	<u>\$ 455,648</u>

The Notes to Financial Statements are an integral part of this statement.

HARTFORD FIRE BOARD
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Public safety	\$ 313,661	\$ 1,813	\$ 136,181	\$ 0	\$ (175,667)	\$ 0	\$ (175,667)
Total Governmental Activities	313,661	1,813	136,181	0	(175,667)	0	(175,667)
Total Primary Government	<u>\$ 313,661</u>	<u>\$ 1,813</u>	<u>\$ 136,181</u>	<u>\$ 0</u>	<u>(175,667)</u>	<u>0</u>	<u>(175,667)</u>
General Revenues							
Investment earnings					32,001	0	32,001
Miscellaneous					245	0	245
Transfers					0	0	0
Total General Revenues-Special Items and Transfers					<u>32,246</u>	<u>0</u>	<u>32,246</u>
Change in Net Assets					(143,421)	0	(143,421)
Net Assets-Beginning					599,069	0	599,069
Net Assets-Ending					<u>\$ 455,648</u>	<u>\$ 0</u>	<u>\$ 455,648</u>

The Notes to Financial Statements are an integral part of this statement.

HARTFORD FIRE BOARD
GOVERNMENTAL FUND BALANCE SHEET
June 30, 2007

	General Fund	Capital Equipment Fund	Total Governmental Fund
ASSETS			
Cash and cash equivalents	\$ 208,414	\$ 272,960	\$ 481,374
Investments	0	0	0
Total Assets	208,414	272,960	481,374
LIABILITIES			
Accounts payable	25,726	0	25,726
Due to other funds	0	0	0
Total Liabilities	25,726	0	25,726
FUND BALANCES			
Reserved for			
Equipment purchases	0	272,960	272,960
Unreserved	182,688	0	182,688
Total Fund Balances	\$ 182,688	\$ 272,960	\$ 455,648

Net Assets of Governmental Activities \$ 455,648

The Notes to Financial Statements are an integral part of this statement.

HARTFORD FIRE BOARD
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
June 30, 2007

	General Fund	Capital Projects Fund	Governmental Funds	Total Funds
Revenues				
Grants	\$ 0	\$ 0	\$ 0	0
Contributions from local units	126,181	10,000	136,181	
Charges for services	1,813	0	1,813	
Interest and rentals	9,928	22,073	32,001	
Donations	0	0	0	
Other revenue	245	0	245	
Total Revenues	138,167	32,073	170,240	
Expenditures				
Current				
Public safety	100,039	0	100,039	
Capital outlay	213,622	0	213,622	
Total Expenditures	313,661	0	313,661	
Excess of Revenues Over (Under)	(175,494)	32,073	(143,421)	
Other Financing Sources (Uses)				
Transfers in	169,220	0	169,220	
Transfers (out)	0	(169,220)	(169,220)	
Total Other Financing Sources (Uses)	169,220	(169,220)	0	
Excess of Revenue and Other Sources Over (Under)	(6,274)	(137,147)	(143,421)	
Expenditures and Other Uses				
Fund Balance- beginning	188,962	410,107	599,069	
Fund Balance-ending	<u>\$ 182,688</u>	<u>\$ 272,960</u>	<u>\$ 455,648</u>	

The Notes to Financial Statements are an integral part of this statement.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hartford Fire Board was created pursuant to the provisions of Section 6, Act 33, Public Acts of Michigan, 1951, as amended, for the purpose of providing fire protection and related services for the City of Hartford and the Township of Hartford.

The accounting policies of the Hartford Fire Board conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. The Reporting Entity

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", these financial statements present the Fire Control Board Activity. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current period. All other revenue items are considered to be available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund is a Special Revenue Fund of the Fire Board. The Capital Project Fund is used to account for the proceeds of specific revenue that are legally restricted to expenditures for specified purposes.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule would be charges between the government's enterprise funds and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. The Fire Control Board does not have enterprise funds.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments-Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables-In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade receivables are shown as net of allowance for uncollectible amounts.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Inventories and Prepaid Items-Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets-Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	30 to 40 years
Building Improvements	15 to 30 years
Roads	10 to 30 years
Fire Equipment & Fire Trucks	07 to 25 years
Vehicles	03 to 05 years
Office Equipment	05 to 07 years
Computer Equipment	03 to 07 years

Capital Assets are owned by the City of Hartford and Township of Hartford 50/50 share.

Fund Equity-In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-wide financial statements do not differ from the Governmental fund financial statements. No debt or fixed assets are recorded by the Fire Board.

Governmental Fund Balances	\$ 455,648
Net Assets of Governmental Activities	<u>\$ 455,648</u>

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information-The Fire Board follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device during the year. These budgets are adopted on a basis consistent with generally accepted accounting principles.
2. The Board approves, by ordinance, total budget appropriations only. Any revisions that alter the total appropriations of any fund must be approved by the Board, therefore, the level of budgetary responsibility is by total appropriations however, for report purposes, this level has been expanded to a functional basis (Public Safety).
3. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
4. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year the Local Government Unit did not exceed the budget.

Fund Deficits-The Local Governmental Unit has no accumulated fund balance deficits at this time.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 4 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated several banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority.

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Total Primary Government</u>
Cash and Cash Equivalents	\$ 481,374	\$ 481,374

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank Deposits (checking and savings accounts, certificates of deposit)	\$ 481,374
Investments in Securities, Mutual Funds and Similar Vehicles	-
Petty Cash and Cash on Hand	-
Total	<u>\$ 481,374</u>

The bank balance of the primary government's deposits is \$481,374 of which \$290,631 is covered by federal depository insurance.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 5 - RECEIVABLES

Receivables as of year-end for the government's individual major, nonmajor funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are reported in the Government Wide Statement of Net Assets as follows:

	Major Funds			
	General Fund	Capital Equip Fund		Total
Grants Receivable	\$ 0	\$ 0		\$ 0
Due from other funds	0	0		0
Less: allowance for uncollectibles	0	0		0
Net Receivables	<u>\$ 0</u>	<u>\$ 0</u>		<u>\$ 0</u>

NOTE 6 - CAPITAL ASSETS

Capital Assets purchased by the Hartford Fire Board are owned by the City of Hartford and the Township of Hartford on a 50/50 share basis. Any debt required to purchase assets is also the responsibility of the larger governmental units.

The Hartford Fire Board purchased an Air Vac 911 Engine Exhaust Removal System in the amount of \$ 25,070. Federal grant money in the amount of \$ 20,664. was used to purchase this asset. Turn out gear and various other equipment was purchased at a cost of \$ 19,332.

The Hartford Fire Board made an initial deposit on a new fire truck in the amount of \$ 169,220 during the fiscal year. The new fire truck, a 75' Aerial Fire Apparatus with 1,000 gallon water tank and 1,500 gpm water pump, has been contracted for a purchase price of \$591,865. The first deposit was paid in May 2007, a second payment of \$220,122 made August 2007, and the remaining balance of \$202,523 is due upon delivery, with this anticipated to be during February 2008. The fire truck will be jointly owned by the Township and City of Hartford, and the Hartford Fire Board monitors the equipment and facility's conditions to keep all in good repair.

HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 7 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

The composition of interfund balances is as follows:

Due To/From Other Funds			
<u>Receivable Fund</u>		<u>Payable Fund</u>	<u>Amount</u>
Capital Equipment Fund	\$ 0	General	\$ 0
Total	<u>\$ 0</u>		<u>\$ 0</u>

There are no interfund balances outstanding.

Interfund Transfers

<u>Transfers In</u>	<u>Transfers (Out)</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Equipment Fund</u>	
General Fund	\$ 0	\$ 169,220	<u>\$ 169,220</u>
Total	<u>\$ 0</u>	<u>\$ 169,220</u>	<u>\$ 169,220</u>

The capital equipment fund transferred funds to the General Fund to pay for a downpayment on an aerial fire truck. The General Fund disbursed the funds to the fire truck manufacturing company in May 2007.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 8 - FEDERAL GRANT

The Fire Board was awarded a federal grant of approximately \$88,664 during the prior fiscal year. \$68,000 was received and utilized for the purchase of air packs as stipulated in the grant for the year ended June 30, 2006. The remaining \$20,664 was released subsequent to the June 30, 2006 year end, utilized on a building ventilation system, paid during August and October 2006. Compliance to grant requirements were met.

NOTE 9 - LOCAL UNIT CONTRIBUTIONS & CONTRACT REVENUES

The annual approved budget for operations and capital equipment reserves is supported by contributions from the member units of the Fire Board in proportion to their respective share - determined by a formula that incorporates population, risk, percentage of fire runs in a unit's area, etc. The City of Hartford contributed a total of \$55,275, with \$5,000 in capital equipment restrictions. The Township of Hartford contributed a total of \$80,415, with \$5,000 in capital equipment restrictions.

The Fire Board also provides services to the Township of Bangor (not a member unit), collecting \$491 in revenues.

REQUIRED SUPPLEMENTAL INFORMATION

**HARTFORD FIRE BOARD
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2007**

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning of Year Fund Balance	\$ 188,962	\$ 188,962	\$ 188,962	\$ 0
Resources (Inflows)				
Grants	0	0	0	0
Contributions from local units	125,690	125,690	126,181	491
Charges for services	0	0	1,813	1,813
Interest and rentals	0	0	9,928	9,928
Donations	0	0	0	0
Miscellaneous revenues	0	0	245	245
Transfers from other funds	0	169,220	169,220	0
Amounts Available for Appropriation	314,652	483,872	496,349	12,477
Charges to Appropriations (Outflows)				
Public Safety				
Salaries	40,000	35,000	32,911	2,089
Payroll taxes	2,650	2,252	1,589	663
Operating supplies	6,000	4,000	3,091	909
Utilities	9,133	7,283	7,584	(301)
Repair & maintenance/fuel	38,167	25,844	25,062	782
Training expense	6,100	5,100	4,589	511
Insurance	22,400	21,400	20,444	956
Legal and professional	5,000	5,000	4,769	231
Miscellaneous/bank service charges	800	800	0	800
Capital outlay				
Other capital outlay	10,000	224,220	213,622	10,598
Total Charges to Appropriations	140,250	330,899	313,661	17,238
Budgetary Fund Balance-June 30	<u>\$ 174,402</u>	<u>\$ 152,973</u>	<u>\$ 182,688</u>	<u>\$ 29,715</u>

**HARTFORD FIRE BOARD
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2007**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Beginning of Year Fund Balance	\$ 410,107	\$ 410,107	\$ 410,107	\$ 0
Resources (Inflows)				
Contributions from local units	10,000	10,000	10,000	0
Interest	<u>0</u>	<u>0</u>	<u>22,073</u>	<u>22,073</u>
Amounts Available for Appropriation	<u>420,107</u>	<u>420,107</u>	<u>442,180</u>	<u>22,073</u>
Charges to Appropriations (Outflows)				
Public Safety				
Capital Outlay	0	0	0	0
Transfers to General Fund	<u>0</u>	<u>169,220</u>	<u>169,220</u>	<u>0</u>
Total Charges to Appropriations	<u>0</u>	<u>169,220</u>	<u>169,220</u>	<u>0</u>
Budgetary Fund Balance-June 30	<u>\$ 420,107</u>	<u>\$ 250,887</u>	<u>\$ 272,960</u>	<u>\$ 22,073</u>

ANGLE & STEFFES, P.C.

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December 4, 2007

Members of the Board
Hartford Fire Board
Hartford, MI 49057

We have audited the books and records of the Hartford Fire Board, as of and for the year ended June 30, 2007.

In conjunction with our audit, and based on inquiries of management, as well as observations, we offer the following comments and recommendations for your consideration.

Segregation of Duties

In order to maintain strong internal controls over cash receipts and disbursements, we continue to recommend periodic review of the bank reconciliations and transaction processing. We note that the financial statements are reviewed and approved at each Board meeting.

Uninsured Funds

The Fire Board has bank accounts in two banks, with a total of \$190,743 over the federally insured level as of June 30, 2007. We recommend that no more than \$200,000 be maintained in any one bank, \$100,000 limit each in savings and demand accounts, to avoid risk of uninsured losses that may occur.

General Ledger Processing

The Fire Board has converted its manual accounting system to an automated QuickBooks software. Significant improvements have been made. Continued diligence is recommended to bring this accounting system to its full potential. Year end audit entries and adjustments should be made to complete this conversion process. Ongoing accounting processes and procedures should be followed to maintain integrity of this reporting function.

Other Matters

In general the Board's books and records are in acceptable condition. All management functions are performing at an acceptable level of reliability. We greatly appreciate the complete cooperation of all the management personnel.

Respectfully submitted,



Angle & Steffes, P.C.
Certified Public Accountants